

Klein Candy Co.

June 22, 1998

The City of New York
Dept of Corrections
60 Hudson St
New York, NY 10013-4393

Attn: Ed Lepkowski

Dear Ed,

As we discussed on the phone today, Klein Candy Co can no longer provide you with R) Reynolds product due to their inability to provide us with price protection. Without price protection from RJR, Klein would be losing money with each sale of RJR product to the DOC. In place of RJR's Winston we can offer Brown & Williamson's Pall Mall Red Filter Soft Pack, which has similar tar and nicotine content (Winston- tar 15 nicotine 1.2, Pall Mall- tar 16 nicotine 1.2). Of course, the Pall Mall will be offered at the contract price of \$19.40 per carton.

I thank you in advance for your cooperation in this matter.

Sincerely,



Brian Condel
Controller

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JEIN CANDY

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